

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)
(Incorporated in Malaysia)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the financial quarter ended 31 March 2016
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER	COMPARATIVE QUARTER	3 months TO DATE	3 months TO DATE
	31/03/16 RM'000	31/03/15 RM'000	31/03/16 RM'000	31/03/15 RM'000
Revenue	249,786	196,894	249,786	196,894
Cost of Sales	<u>(141,157)</u>	<u>(126,739)</u>	<u>(141,157)</u>	<u>(126,739)</u>
Gross Profit	108,629	70,155	108,629	70,155
Other Income	291	3,369	291	3,369
Distribution Expenses	(37,440)	(31,480)	(37,440)	(31,480)
Administrative Expenses	(5,595)	(6,237)	(5,595)	(6,237)
Other Operating Expenses	<u>(20,686)</u>	<u>(12,397)</u>	<u>(20,686)</u>	<u>(12,397)</u>
Results from Operating Activities	45,199	23,410	45,199	23,410
Finance Costs	(752)	(737)	(752)	(737)
Interest Income	1,340	343	1,340	343
Profit Before Taxation	<u>45,787</u>	<u>23,016</u>	<u>45,787</u>	<u>23,016</u>
Income Tax Expenses	<u>(11,899)</u>	<u>(5,988)</u>	<u>(11,899)</u>	<u>(5,988)</u>
Profit After Taxation	<u>33,888</u>	<u>17,028</u>	<u>33,888</u>	<u>17,028</u>
Profit for the period/Total comprehensive income for the period	<u>33,888</u>	<u>17,028</u>	<u>33,888</u>	<u>17,028</u>
Profit Attributable to:				
Equity holders of the Company	33,888	17,028	33,888	17,028
Non-controlling interest	-	-	-	-
	<u>33,888</u>	<u>17,028</u>	<u>33,888</u>	<u>17,028</u>
EARNINGS PER SHARE				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	<u>52.95</u>	<u>26.60</u>	<u>52.95</u>	<u>26.60</u>

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)
(Incorporated in Malaysia)

CONDENSED STATEMENT OF FINANCIAL POSITION

For the financial quarter ended 31 March 2016

	AS AT 31/03/16 RM'000 (Unaudited)	AS AT 31/12/15 RM'000 (Audited)
ASSETS		
Property, plant and equipment	87,017	90,831
Intangible assets	6,963	5,099
TOTAL NON-CURRENT ASSETS	93,980	95,930
Inventories	108,432	99,067
Trade and other receivables	65,528	55,172
Prepayments	895	909
Derivatives financial assets	-	1,056
Cash and cash equivalents	169,663	160,391
TOTAL CURRENT ASSETS	344,518	316,595
TOTAL ASSETS	<u>438,498</u>	<u>412,525</u>
EQUITY		
Share capital	64,000	64,000
Retained profits	127,107	93,219
Attributable to equity holders of the Company	191,107	157,219
TOTAL EQUITY	191,107	157,219
LIABILITIES		
Deferred tax liabilities	6,394	6,394
TOTAL NON-CURRENT LIABILITIES	6,394	6,394
Trade and other payables	217,171	231,136
Provision	128	118
Derivatives financial liabilities	7,042	1,001
Current tax liabilities	16,656	16,657
CURRENT LIABILITIES	240,997	248,912
TOTAL LIABILITIES	247,391	255,306
TOTAL EQUITY AND LIABILITIES	<u>438,498</u>	<u>412,525</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>2.99</u>	<u>2.46</u>

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF CHANGES IN EQUITYFor the financial quarter ended 31 March 2016
(The figures have not been audited)

	Share Capital RM'000	Distributable Retained profits RM'000	Attributable to equity holders of the Company RM'000	Total RM'000
3 months ended 31 March 2016				
Balance at beginning of period	64,000	93,219	157,219	157,219
Movements during the period	-	33,888	33,888	33,888
Dividend payable	-	-	-	-
Dividends paid	-	-	-	-
Balance at end of period	<u>64,000</u>	<u>127,107</u>	<u>191,107</u>	<u>191,107</u>
3 months ended 31 March 2015				
Balance at beginning of period	64,000	93,039	157,039	157,039
Movements during the period	-	17,028	17,028	17,028
Dividends payable	-	-	-	-
Dividends paid	-	-	-	-
Balance at end of period	<u>64,000</u>	<u>110,067</u>	<u>174,067</u>	<u>174,067</u>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF CASH FLOWFor the financial quarter ended 31 March 2016
(The figures have not been audited)

	3 months TO DATE	3 months TO DATE
	31/03/16	31/03/15
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	239,801	188,353
Cash paid to suppliers and employees	(218,280)	(175,387)
	<hr/>	<hr/>
Cash generated from operations	21,521	12,966
Income tax paid	(11,900)	(8,925)
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	9,621	4,041
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(352)	(4,476)
Additions of intangible assets	(585)	(59)
Proceeds from disposal of property, plant and equipment	-	96
Interest received	1,340	343
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	403	(4,096)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(752)	(737)
	<hr/>	<hr/>
Net cash used in financing activities	(752)	(737)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	9,272	(792)
Cash and cash equivalents brought forward	160,391	124,269
	<hr/>	<hr/>
Cash and cash equivalents carried forward	169,663	123,477
	<hr/>	<hr/>
Cash and cash equivalents consist of:		
Cash and bank balances	8,063	16,477
Deposits placed with licensed banks	161,600	107,000
	<hr/>	<hr/>
	169,663	123,477
	<hr/>	<hr/>

(The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)
(Incorporated in Malaysia)

NOTES

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, 'Interim Financial Reporting' in Malaysia and with IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the most recent audited financial statements of the Company as at and for the year ended 31 December 2015.

2. Auditors' Report of Preceding Annual Financial Statements

The auditors' report of the Company in respect of the annual audited financial statements for the year ended 31 December 2015 was not subject to any audit qualification.

3. Seasonal and Cyclical Factors

The dairy and dairy related business can be influenced by the weather and major festivals.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

6. Changes in Estimates

There were no changes in estimates of amounts reported in the current quarter or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

7. Changes in Debt and Equity

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period under review.

8. Dividends

There were no dividends paid for the financial period under review.

9. Segmental Analysis

The Company operates principally in Malaysia and in one major business segment. As such, only one reportable segment analysis is prepared. The Company's Board of Directors (the chief operating decision maker) reviews internal management reports at least on a quarterly basis.

	Quarter ended 31/03/16 RM'000	Quarter ended 31/03/15 RM'000
Segment profit		
Revenue	249,786	196,894
Profit After Taxation	33,888	17,028

10. Capital Commitments

	As at 31/03/16 RM'000	As at 31/03/15 RM'000
Property, plant and equipment		
Authorised but not contracted for	18,789	17,819
Contracted but not provided for	98	5,906

11. Subsequent Events

There were no material subsequent events that will affect the financial results of the financial period under review.

12. Changes in Composition of the Company

There were no changes in the composition of the Company during the financial period under review.

13. Operating Lease

The existing operating lease obligations by the Company amount to RM10.6 million.

14. Related Party Transactions

The following are significant related party transactions: -

	Quarter ended 31/03/16 RM'000	Quarter ended 31/03/15 RM'000
Sales to related parties	3,788	3,452
Purchases from related parties	99,121	100,533
Know-how, Trademark License and Management Support fees	6,578	5,053
Shared services from related parties	2,540	1,731

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

15. Review of Results (Against preceding year corresponding period)

Revenue in the current quarter increased by 27% compared to the preceding year's corresponding quarter with improvement in all product categories. Last year's lower revenue for the same quarter was due to the run-down of activities prior to the relaunch of the Company's key products. Profit before tax was therefore driven by higher revenue and favorable dairy raw materials prices, partly offset by the weaker Ringgit Malaysia.

16. Comments on Material Changes in Profit Before Taxation (Against immediate preceding quarter)

Compared to the preceding quarter, revenue decreased by 8% largely attributed to less selling days given the Chinese New Year festive period. Profit before Tax increased by 33% driven by lower Cost of Goods and lower Distribution Expense.

17. Business Prospects

The business environment is expected to remain challenging against the backdrop of weak consumer confidence. Despite the ongoing business challenges for 2016, the Company remains committed to leveraging the strength of the Dutch Lady brand and the quality product range of offerings.

18. Statement on Revenue or Profit Estimate, Forecast, Projection or Internal Targets Previously Announced or Disclosed in a Public Document

Not applicable.

19. Profit Forecast

The Company did not issue any profit forecast during the financial period under review.

20. Taxation

Taxation is made up as follows: -

	Quarter ended 31/03/16 RM'000	Quarter ended 31/03/15 RM'000
Income tax for current period	11,899	5,988
Deferred tax for current period	-	-
Total taxation	<u>11,899</u>	<u>5,988</u>

The effective tax rate for the period under review is higher than the statutory tax rate mainly due to certain expenses incurred that was disallowed for tax purposes.

21. Deferred Tax Liabilities

	As At 31/12/16 RM'000	As at 31/03/15 RM'000
At 1 January	6,394	6,704
Recognised in the statement of comprehensive income	-	-
At period end	<u>6,394</u>	<u>6,704</u>

22. Corporate Proposals

There were no corporate proposals announced during the financial period under review.

23. Company Borrowings

There were no borrowings or debt securities as at the end of the financial period under review.

24. Material Litigation

There were no material litigations against the Company during the financial period under review.

25. Financial Instruments

Derivatives

The foreign exchange contracts which have been entered into by the Company are as follows:

Forward exchange contracts	As At 31/03/16 RM'000	As at 31/03/15 RM'000
Derivatives held for trading at fair value through profit or loss for US Dollar		
Nominal Value	83,307	78,309
Assets	-	3,918
Liabilities	7,042	16

Forward exchange contracts are used to manage the foreign currency exposures arising from the Company's receivables and payables denominated in currencies other than the functional currencies of the Company's entity. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period.

26. Proposed Dividend

On 23 February 2016, the Company has declared a standard interim dividend and special interim dividend in respect of the financial year ending 31 December 2016 as follows: -

- a) A standard single-tier interim dividend of 50.00 sen per share amounting to RM32.0 million, and
- b) A special single-tier interim dividend of 60.00 sen per share amounting to RM38.4 million.

All shareholders whose names appear on the Record of Depositors on 28 April 2016 shall be paid the above dividends on 19 May 2016.

A Depositor shall qualify for entitlement only in respect of: -

- a) Securities transferred to the Depositor's Securities Account before 4.00pm on 28 April 2016, in respect of ordinary transfers; and
- b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

27. Retained Profits

The breakdown of the retained profits of the Company as at 31 December 2015, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Year to-date 31/03/16 RM'000	Year to-date 31/03/15 RM'000
Total retained profits:		
- Realised profit	138,554	113,393
- Unrealised loss	(11,447)	(3,326)
Total retained profits as per statement of financial position	127,107	110,067

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

28. Earnings Per Share

	Quarter ended 31/03/16	Quarter ended 31/03/15
Basic earnings per share		
Profit for the period (RM'000)	33,888	17,028
Weighted average number of ordinary shares in issue ('000)	64,000	64,000
Basic earnings per share (sen)	52.95	26.60

The Company does not have in issue any financial instrument or other contract that may entitle its holders to ordinary shares and therefore dilute its basic earnings per share.

29. Notes to the Condensed Statement of Comprehensive Income

	Year to- date 31/03/16 RM'000	Year to- date 31/03/15 RM'000
Interest income	1,340	343
Finance costs	(752)	(737)
Depreciation of property, plant and equipment	(2,458)	(2,209)
Amortisation of intangible assets	(429)	(105)
Impairment loss reversed on Intangible assets	-	-
Write back/(down) of inventories	1,455	(827)
Gain/(Loss) on disposal of property, plant and equipment	-	3
Loss on disposal of intangible asset	-	-
Gain on disposal of assets classified as held for sale	-	-
Property, plant and equipment written off	-	-
Net gain/(loss) on derivatives	(7,097)	(1,627)
Net foreign exchange gain/(loss)		
- Realised	(1,724)	5,711
- Unrealised	1,989	(524)

By Order of the Board
Izreen Fara Binti Ismail
Company Secretary
24 April 2016